

Argument Against Proposition 79

We all want to provide cheaper prescription drugs to needy Californians, but Proposition 79 just won't work. It's based on a flawed proposal from the state of Maine that never went into effect, never delivered a single discount, and was ultimately abandoned by Maine. Californians don't need another false initiative promise that will result in years of legal challenges and ultimately never go into effect.

"Maine residents were counting on a drug discount program that was just like California's Proposition 79. But it was tied up in court and never received approval from the federal government. Not a single patient got a discounted drug as a result of that failed program."

*Calvin Fuhrmann, MD, FCCP
Kennebunk Medical Center, Maine*

Backed by public employee unions, Proposition 79 sets up another big government program that will cost California millions. With huge budget deficits that already affect funding for critical programs, how can we take on a massive new government program? On top of that, Proposition 79 jeopardizes over \$480 million in rebates that taxpayers currently receive from pharmaceutical companies.

Because Proposition 79 changes the state's Medi-Cal program, which is largely funded with federal dollars, the federal government would have to approve Proposition 79. No federal administration, Democratic or Republican, has ever approved a program like Proposition 79.

Why won't Proposition 79 receive federal approval? Prop. 79 risks the health of poor patients in order to provide drug discounts for people who make as much as \$77,000 annually, including some people who already have health insurance. Proposition 79 says that if a drug manufacturer does not provide steep discounts to these higher income Californians, they can't provide prescription drugs to help the poor, seniors, and disabled patients who depend on Medi-Cal.

"Proposition 79 jeopardizes access to prescription drugs for the lowest income and most vulnerable individuals in this state."

*Neva Hirschhorn, Executive Director
Epilepsy Foundation of Northern California*

A hidden section in Proposition 79 will let trial lawyers file thousands of frivolous lawsuits simply by claiming the price charged for the product is too much or that the manufacturer's profits are too high. The initiative doesn't define what is a fair price or a reasonable profit! Worse, trial lawyers don't need a client to bring these lawsuits and can keep for themselves 100% of the money they are able to force from a defendant!

"Last November, Californians passed Proposition 64 to prevent shakedown lawsuits. Proposition 79 would re-open the door to shakedowns, flood our courts with frivolous litigation, and drive up the cost of prescription drugs."

*John H. Sullivan, President
Civil Justice Association of California*

Like so many previous initiatives, 79 won't deliver what it claims. It will result in years of litigation and will ultimately be rejected by the federal government. It creates an expensive big government program, jeopardizes the health of low income Californians, and will result in a deluge of frivolous litigation benefiting trial lawyers at our expense.

Prop. 79 is the wrong prescription for California. Join seniors, taxpayers, health advocates, patients, and small businesses and VOTE NO on Proposition 79.

TOM MURPHY, Chair
California Arthritis Foundation Council

JOHN KEHOE, Policy Director
California Senior Advocate League

RODNEY HOOD, MD, President
Multicultural Foundation

Rebuttal to Argument Against Proposition 79

If Prop. 79 won't work, why did drug companies contribute more than \$50 million to defeat it?

PROP. 79 IS BASED ON CALIFORNIA EXPERIENCE

Prop. 79 builds on a successful effort that reduces drug costs for California through enforceable discounts.

PROP. 79 SAVES TAXPAYERS MONEY

The discounts are delivered to consumers from drug companies and pharmacies. This not only saves money for consumers, and gets them the care they need, it also saves taxpayers money on health care costs.

PROP. 79 CAN BE IMPLEMENTED IMMEDIATELY

"Thousands of Maine residents have received drug discounts through our program, without the need for federal approval, despite aggressive opposition and litigation by the pharmaceutical companies."

Maine Governor John E. Baldacci, July 2005

PROP. 79 HELPS CALIFORNIANS GET THE DRUGS THEY NEED

Prop. 79 will not put the health of poor Californians at risk. It employs the same, successful mechanism the Medi-Cal drug program has used for the last decade to help provide

California with the best price. Protections are already in place to ensure Medi-Cal patients don't go without the prescriptions they need.

IF ANYBODY USES THE COURTS AGGRESSIVELY, IT'S THE DRUG COMPANIES

The drug companies launched dozens of lawsuits across the country to keep discount efforts like Prop. 79 from becoming law. *They have already sued to block Prop. 79, only to have the case dismissed by a judge.*

Join consumer, senior, and health organizations: VOTE YES on Prop. 79.

Check the facts and research for yourself.

Visit www.VoteYesOnProp79.org.

BETTY PERRY, Public Policy Director
Older Women's League of California

MICHAEL WEINSTEIN, President
AIDS Healthcare Foundation

JACQUELINE JACOBBERGER, President
League of Women Voters of California